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POSSIBLE FINNISH-SOVIET BORDER RECTIFICATION

NSC BRIEFING

17 July 1956

1. Various diplomatic approaches and other Soviet moves in the past few months have encouraged the Finns to believe that Moscow is preparing to make certain territorial concessions along the Karelian border. Such concessions would have a considerable impact on Finnish opinion and do much to convince the other Scandinavians of the USSR's peaceful intentions.
2. Talks have been going on with the Russians since April regarding greater Finnish use of the Saimaa Canal, which was cut by the 1944 territorial cession. The Finnish government, doubtful about the economic value of the canal but alive to the political importance of the Karelian question for the 450,000 Karelian refugees settled in other parts of Finland since 1944, has proposed that (a) the entire canal be returned, (b) Finland lease the port city of Vyborg, and (c) Finland lease the territory cut off from the USSR by the canal.
3. Several events have encouraged the Finns to believe that the Russians are preparing to make some territorial concessions. Soviet president Voroshilov is to visit Finland August 21-26 and the Finns have indicated that they would like to discuss border rectifications. On 16 July Moscow announced the abolition of the Karelo-Finnish SSR; three days earlier the chairman of the Supreme Soviet reportedly had told the Finnish Ambassador in Moscow that this change would facilitate border modification at the appropriate time. (The Saimaa Canal area and Vyborg, in which the Finns are particularly interested at present, are actually within the Leningrad Oblast of the RSFSR). Recent

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reports of explosions on the Soviet side of the border near the canal have raised speculation that the Soviets are destroying installations preparatory to a withdrawal. Moreover, the Finns still attach importance to Bulganin's remarks at the time of the Porkkala negotiations last September that Porkkala was no longer necessary for the defense of Leningrad because of Soviet-Finnish friendship; the Finns hope this argument will apply to other former Finnish territory. Since early spring Soviet ambassador Lebedev has had a number of talks with President Kekkonen and a few other high Finnish officials, the Foreign Ministry being largely excluded from the discussions.

4. There are indications, however, that no border modifications will actually be agreed on during Voroshilov's visit. Izvestia on 13 July strongly attacked "those who agitate for a revision of the Soviet-Finnish borders" and stated that the frontier was finally decided by the Peace Treaty of 1947 and consequently not subject to revision. The Russians may delay any concessions until next spring, when the projected visits of Bulganin and Khrushchev to the Scandinavian countries would give the move its maximum propaganda impact. In view of the Izvestia article, territorial revisions are unlikely to be extensive, ^{and} ~~but~~ will be probably limited to the Saimaa Canal area.

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BACKGROUND--THE SAIMAA CANAL

1. In the prewar period the 36-mile-long canal served as an outlet for the extensive lake system of Southeast Finland through which the large timber exports of the area were transported for loading on ocean-going freighters at Vyborg. Since the war the canal has been little used and as long ago as 1953 the USSR indicated its willingness to discuss arrangements permitting the Finns to use the lower half of the waterway which is now in Soviet territory. The Finns, however, have meanwhile developed an extensive roadnet in this area to handle the timber traffic, and a group of government experts who recently investigated the prospects of utilizing the canal are dubious about its present economic value.

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